



**OFFICE OF INSPECTOR GENERAL**  
U.S. ENVIRONMENTAL PROTECTION AGENCY

February 26, 2024

**MEMORANDUM**

**SUBJECT:** Notification:  
Audit of the EPA Award of Drinking Water and Clean Water Earmark Grants  
Project No. OA-FY24-0064

**FROM:** Michael D. Davis, Director *Michael D. Davis*  
Environmental Investment and Infrastructure  
Office of Audit

**TO:** Radhika Fox, Assistant Administrator  
Office of Water

Kimberly Patrick, Principal Deputy Assistant Administrator  
Office of Mission Support

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an audit of the EPA's award of the drinking water and clean water infrastructure projects designated in the Community Project Funding and Congressionally Directed Spending provisions in the fiscal years 2022 and 2023 appropriation legislation. These are informally known as earmark grants. This audit is part of the OIG's [oversight plan](#) for fiscal year 2024 because of the influx and growth of appropriated earmark grants. This audit also addresses the following fiscal year 2024 [top management challenge](#) for the Agency: managing grants, contracts, and data systems.

Our objective is to determine whether the EPA is awarding the fiscal year 2022 and 2023 water infrastructure earmark grants expeditiously and in accordance with federal requirements and EPA policies and procedures. We plan to conduct work within the Offices of Wastewater Management and Ground Water and Drinking Water under the Office of Water, the Office of Grants and Debarment under the Office of Mission Support, and EPA regional offices. We will use applicable generally accepted government auditing standards to conduct our audit. The anticipated benefits of this audit include verification of compliance with federal requirements and EPA policies and procedures, as well as identification of potential operational efficiencies that allow the EPA to award the earmark grants more expeditiously.

We will contact the audit follow-up coordinator for your office to arrange a mutually agreeable time to discuss our objectives. At that time, we can discuss any concerns that you may have and answer any

questions about the audit process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the audit. Throughout the audit, we will provide updates on a regular basis.

To expedite our audit, we are requesting, prior to the entrance conference, a list of all earmark grants in the fiscal year 2022 and 2023 appropriations and their award status. For the awarded grants, please provide the date, amount of the award, and grant number.

We respectfully note that the Inspector General Act of 1978, as amended, authorizes the OIG to have timely access to personnel and all materials necessary to complete our objectives. Similarly, EPA Manual 6500, *Functions and Activities of the Office of Inspector General* (1994), requires that each EPA employee cooperate with and fully disclose information to the OIG. Also, Administrator Michael S. Regan, in a May 16, 2023 email to EPA employees, stated that the “agency and its employees have a duty to cooperate with OIG” and observed that “full engagement and collaboration between the OIG and EPA provides our agency with the opportunity to improve program performance and efficiency.” If an Agency employee or contractor refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG, we will request that you immediately resolve the situation. Consistent with the Inspector General Act, we may report unresolved access matters to the administrator and to Congress.

We will post this memorandum on our public website at [www.epaoig.gov](http://www.epaoig.gov). Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this audit should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the “OIG Hotline” [webpage](#).

cc: Janet McCabe, Deputy Administrator  
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